IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF VIRGINIA DANVILLE DIVISION

| MELVIN CLARK, et al., |) |
|-------------------------------------------|---------------------------|
| Plaintiffs, |) Case No.: 4:20-cv-00063 |
| v. | |
| STANLEY FURNITURE COMPANY LLC, et al., |) |
| Defendants. | <i>)</i> |

DECLARATION OF MATTHEW W. SMITH

- I, Matthew W. Smith, being over the age of 18, understanding the meaning of an oath, so declare as follows:
- 1. I am the manager for Stone & Leigh LLC. In September 2018, Stone & Leigh purchased certain assets, including the youth furniture line, from the successor to Stanley Furniture Company. As part of that transaction, Stone & Leigh also assumed certain obligations of Stanley Furniture Company, including obligations under the Supplemental Retirement Plan of Stanley Furniture Company, Inc. (the "SERP").
- 2. Under the SERP, certain former executives of Stanley Furniture are entitled to receive monthly retirement benefits. The SERP is an unfunded plan. In other words, the payments to the beneficiaries are made from general corporate funds.
- 3. In my Declaration filed in this matter on December 12, 2020 (Dkt. No. 43-4), I discussed how, beginning in the first half of 2020, Stone & Leigh's sales dropped, payments due on receivables from Stone & Leigh's customers declined, and Stone & Leigh suffered severe cash flow shortages. As a result, Stone & Leigh was unable to meet all of its general business obligations during 2020.

- 4. In recent months, these trends have reversed somewhat, and Stone & Leigh's cash position has improved.
- 5. On September 21, 2021, Stone & Leigh paid all amounts outstanding to the participants in the SERP. The payments include the following payments to the Plaintiffs in this action:

| Plaintiff Name | Payment Amount |
|--------------------------------|----------------|
| John N. Busey | \$1,485.09 |
| Kelly S. Cain | \$2,533.01 |
| Jesse V. Cannaday | \$10,180.16 |
| Melvin Clark | \$3,130.99 |
| Charles William Cubberley, Jr. | \$9,914.96 |
| Calvert Fulcher, Jr. | \$10,341.26 |
| Herman Ellsworth Haley, Jr. | \$7,157.49 |
| John W. Johnson | \$11,026.96 |
| Dave P. Maddox | \$2,353.35 |
| Douglas I. Payne | \$3,716.93 |
| William G. Perdue | \$1,658.22 |
| Robert J. Smith | \$3,843.37 |
| Alexander Teglas, Jr. | \$2,091.77 |

¹ One SERP participant, who is not a plaintiff in this action, agree to forego payments at this time so that payments may be made to the remaining participants.

| Larry E. Webb Jr. | \$19,076.64 |
|-------------------|--------------------|
| <u>Total:</u> | <u>\$88,510.20</u> |

6. I caused these payments to be made by ACH transfer in the amounts indicated on September 21, 2021. A genuine and complete copy of the payroll register reflecting these payments is attached hereto as **Exhibit A**.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the 26th day of September, 2021.

Matthew W. Smith

Exhibit A

| Page I | | Reg 09/22/2021 BN 1514.69 1514.69 | 0.00 1576 | Reg 09/22/2021 BN 1474.08 1474.08 | 1575 | Reg 09/22/2021 BN 2399.62 2399.62 0.00 | 1574 | Reg 09/22/2021 BN 8103.57 8103.57 0.00 | 1573 | Reg 09/22/2021 BN 2674.34 2674.34 0.00 | 1572 | Reg 09/22/2021 BN 9914.96 9914.96 | 1571 |
|---------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------|---------------------|-----------------------------------------------|------------------|--------------------------------------------------------|------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------|----------------------------------------------------------------|------------------|
| | | Type Chk Date Batch Net Dir Dep | Chk Amt Chk/Ver# | Type Chk Date Batch Net Dir Dep | Chk/Ver# | Type Chk Date Batch Net Dir Dep Chk Amt | Chk/Ver# | Type Chk Date Batch Net Dir Dep Chk Amt | | Type Chk Date Batch Net Dir Dep Clik Amt | | Type Chk Date Batch Net Dir Dep Chk Amt | |
| Check Date: 09/22/2021 Process: 2021092201 Period: 08/31/2021 | | Amount | 0.00 | Amount | 0.00 | Amount | 0.00 | Amount | 0.00 | Amount | 0.00 | Amount | 0.00 |
| Check Date Process: Period: | | Deduction | Total Deductions | Deduction | Total Deductions | Deduction | Total Deductions | Deduction | Total Deductions | Deduction | Total Deductions | Deduction | Total Deductions |
| | | Code | Total D | Code | Total D | Code | Total D | Code | Total D | Code | Total D | Code | |
| | | Amount 11.87 | 11.87 | Amount 11.01 | 11.01 | Amount 44.13 89.26 | 133.39 | Amount 2036.03 40.56 | 2076.59 | Amount 319.64 137.01 | 456.65 | Amount | 0.00 |
| CC | | Taxable 1526.56 1526.56 | | Taxable 1485.09 1485.09 | Martines | Taxable 2533.01 2533.01 | | Taxable 10180.16 10180.16 | Andria de distribution de la descripción del descripción de la des | Taxable 3130,99 3130,99 | | Taxable 9914.96 9914.96 | |
| Stone & Leigh LLC Company (D6895) | | Tax Status Federal Tax (945 M-9 Virginia SITW M-9 | xes | Tax Status Federal Tax (945; M-1 Texas SITW | xes | Tax Status Federal Tax (945 M-3 Virginia SITW M-3 | xes | Tax Status Federal Tax (945 M-0 Virginia SITW M-0 | xox | Tax Status Federal Tax (945; S-0 Virginia SITW S-0 | xes | Tax Status Federal Tax (945; M-99 North Carolina S; M-99 | ixes |
| | | Code FITW45 VA | Total Taxes | Code FITW45 TX | Total Taxes | Code FITW45 VA | Total Taxes | Code FITW45 VA | Total Taxes | Code FITW45 VA | Total Taxes | Code FITW45 NC | Total Taxes |
| | | Amount 1526.56 | 1526.56 | Amount 1485.09 | 1485.09 | Amount 2533.01 | 2533.01 | Amount 10180.16 | 10180.16 | Amount 3130.99 | 3130,99 | Amount 9914.96 | 9914.96 |
| | 990) Rei | Rate | | Rate | | Rate | | Rate | | Rate | | Rate | |
| | ment: (99 | Hours | 0.00 | Hours | 0.00 | Hours | 0.00 | Hours | 0.00 | Hours | 0.00 | Hours | 0.00 |
| | Location: (RET) Retired Department: (9990) Ret | Earning Supp Early Ret P | Total Earnings | Earning Supp Early Ret P | Total Earnings | Earning Supp Early Ret P | Total Earnings | Earning Supp Early Ret P | Total Earnings | Earning Supp Early Ret P | Total Earnings | Earning Supp Early Rct P | Total Earnings |
| ster | (RET) | ode | Total E | Code | Total E | Code | Total E | Code | Total I | Code | Total | SERP | Total |
| Payroll Register | Location: | | | BUSEY, JOHN N Emp Id 903 Rate 0.0000 | | CAIN, KELLY S Emp Id 904 Rate 0.0000 | | CANNADAY, JESSE V Emp 1d 905 Rate 0.0000 | | CLARK, MELVIN L Emp Id 906 Ratc 0.0000 | | CUBBERLEY, WILLIAM C Emp Id 907 Rate 0.0000 | |

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| Payroll Register | ster | | | | | | Stone: & Leign LLC Company (D6895) | y (D6895) | ٍ | | | Check Date: Process: Period: | :: 09/22/2021 2021092201 08/31/2021 | | Page 2 |
|-------------------------------------------------|------------------------------------|---------------------------------------|---------------|------|------------------------------|-------------------------|----------------------------------------------------------------|------------------------|---------------------------------|------------------------|----------|------------------------------------|-------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------|
| FULCHER, CALVERT L Emp Id 908 Rate 0.0000 | Code SERP | Earning Supp Early Ret P | Hours | Rate | Amount 10341.26 | Code FITW45 NC | Tax Sratus Federal Tax (945) M-99 North Carolina Si M-99 | Status M-99 M-99 | Taxable 10341.26 10341.26 | | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 10341.26 10341.26 0.00 |
| | Total Earnings Code Earn SERP Supp | ruings Earning Supp Early Ret P | 0.00 Hours | Rate | 10341.26 Amount 449.79 | Total Taxes Code FITW45 | Tax Federal Tax (945) Virginia SITW | Status M-0 M-0 | Taxable 449.79 449.79 | 0.00 Amount 1.50 | Total De | Total Deductions Code Deduction | 0.00 Amount | | 1570 Reg 09/22/2021 BN 448.29 448.29 0.00 |
| | Total Earnings | rnings | 0.00 | | 449.79 | Total Taxes | ıxes | | | 1.50 | Total De | Total Deductions | 0.00 | | 1569 |
| HALEY, HERMAN E Emp 1d 910 Rate 0.0000 | Code | Earning Supp Early Ret P | Hours | Rate | Amount 7157.49 | | Tax Federal Tax (945: Virginia SITW | Status M-0 M-0 | Taxable 7157.49 | Amount 703.73 376.11 | Code | Deduction | Amount | • | Reg 09/22/2021 BN 6077.65 6077.65 |
| | Total Earnings | rnings | 0.00 | | 7157.49 | Total Taxes | ıxes | | | 1079.84 | Total De | Total Deductions | 0.00 | Chk/Vcr# | 1568 |
| JOHNSON, JOHN W Emp Id 911 Rate 0.0060 | Code | Earning Supp Early Ret P | Hours | Ratc | Amount 11026.96 | Code FITW45 VA | Tax Federal Tax (945; Virginia SITW | Status M-99 M-0 | Taxable 11026.96 11026.96 | Amount 591.03 | Code | Deduction | Атюши | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 10435.93 10435.93 |
| | Total Earnings | rnings | 0.00 | | 11026.96 | Total Taxes | ıxes | | | 591.03 | Total D | Total Deductions | 0.00 | | 1567 |
| MADDOX, DAVID P Emp Id 912 Rate 0.0000 | SERP | Earning Supp Early Ret P | Hours | Rate | Amount 2353.35 | Code FITW45 | Tax Federal Tax (945. Virginia SITW | Status S-0 S-0 | Taxable 2353.35 2353.35 | Amount 226.32 92.30 | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 2034.73 2034.73 0.00 |
| | Total Earnings | ırnings | 0.00 | | 2353.35 | Total Taxes | axes | | | 318.62 | Total D | Total Deductions | 0.00 | Chk/Vcr# | 1566 |
| | ode | Earning Supp Early Ret P | Hours | Rate | Amount 2808.80 | Code FITW45 NC | Tax Federal Tax (945; North Carolina SI | Status M-9 1 M-0 | Taxable 2808.80 2808.80 | Amount 102.00 | Code | Deduction | Amount | Type Chk Date Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 2706.80 2706.80 0.00 |
| | Total E | Total Earnings | 0.00 | | 2808.80 | Total Taxes | axes | | | 102.00 | | Total Deductions | 0.00 | Chk/Ver# | 1565 |

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| Payroll Register | ister | | | | | | Stone & Leigh LLC Company (D6895) | ٥) | | | Process: Period: | Check Date: 09/22/2021 Process: 2021092201 Period: 08/31/2021 | | rage 3 |
|--------------------------------------------------|----------------|-----------------------------|-------|------|-------------------|----------------------|--------------------------------------------------------------|-------------------------------|---------------------------|----------|---------------------|---------------------------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------|
| PAYNE, DOUGLAS I Emp Id 916 Rate 0.0000 | Code SERP | Earning Supp Early Ret P | Hours | Rate | Amount 3716.93 | 4 , | Tax Status Federal Tax (945; M-10 Virginia STTW M-10 | Taxable 3716,93 3716,93 | Amount 126.14 | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 3590.79 3590.79 0.00 |
| | Fotal Earnings | rnings | 0.00 | | 3716.93 | Total Taxes | es | | 126.14 | Total De | Total Deductions | 0.00 | Chk/Vcr# | 1564 |
| | Code | Earning Supp Early Ret P | Hours | Rate | Amount 3078.35 | Code FITW45 VA | Tax Status Federal Tax (945, M-0 Vrginia SITW M-0 | Taxable 3078.35 3078.35 | Amount 235.24 141.90 | | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 2701.21 2701.21 0.00 |
| | Total Earnings | ırnings | 0.00 | | 3078.35 | Total Taxes | sa | | 377.14 | Total De | Total Deductions | 00.0 | Chk/Ver# | 1563 |
| PERDUE, WILLIAM G Emp Id 918 Rate 0.0000 | SERP | Earning Supp Early Ret P | Hours | Rate | Amount 1658.22 | • • | Tax Status Federal Tax (945; M-0 Virginia SITW M-0 | Taxable 1658.22 1658.22 | Amount 64.16 53.33 | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 1540.73 1540.73 0.00 |
| | Total Earnings | ırnings | 0.00 | | 1658.22 | Total Taxes | sa | | 117.49 | Total De | Total Deductions | 0.00 | Chk/Vcr# | 1562 |
| | SERP | Earning Supp Early Ret P | Hours | Rate | Amount 3450.28 | Code FITW45 NC | Tax Status Federal Tax (945, M-0 North Carolina Sl M-0 | Taxable 3450.28 3450.28 | Amount 258.87 137.00 | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 3054.41 3054.41 0.00 |
| | Total Earnings | arnings | 0.00 | | 3450.28 | Total Taxes | ces | | 395.87 | Total De | Total Deductions | 0.00 | | 1561 |
| | Code | Earning Supp Early Ret P | Hours | Rate | Amount 1309.35 | Code FITW45 VA | Tax Status Federal Tax (945; M-0 Virginia SITW M-0 | Taxable 1309.35 1309.35 | Amount 29.27 35.88 | Code | Deduction | Amount | Type Chk Date Batch Net Dir Dep Chk Amt | Reg 09/22/2021 BN 1244.20 1244.20 0.00 |
| | Total E | Total Earnings | 00'0 | | 1309.35 | Total Taxes | ies | | 65.15 | | Total Deductions | 0.00 | _ | 1560 |
| SMITH, ROBERT J Emp Id 923 Rate 0.0000 | Code | Earning Supp Early Ret P | Hours | Rate | Amount 3843.37 | | Tax Status Federal Tax (945; M-0 Virginia SITW M-0 | Taxable 3843.37 3843.37 | Amount 356.04 75.00 | | Deduction | Атопп | | Reg 09/22/2021 BN 3412.33 3412.33 0.00 |
| | Total E | Total Earnings | 00.0 | | 3843.37 | Total Taxes | res | | 431.04 | | Total Deductions | 00'0 | Chk/Ver# | 1559 |

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| Payroll Register | ster | | | | | | Ston(| Stone & Leigh LLC Company (D6895) | nrc 3) | | | Check Dar Process: Period: | Check Date: 09/22/2021 Process: 2021092201 Period: 08/31/2021 | Page 4 |
|-------------------------------------------------------|------------------------------------------|---------------------------------------------------|---------------------------------------------|---------|-------------------------------|-------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------|----------------------------------------------------|-------------------------|----------------------------------|---------------------------------------------------------------------|------------------------------------------------------|
| TEGLAS, ALEXANDER Emp Id 924 Rate 0.0000 | Code | Earning Supp Early Ret P | Hours | Rate | Amount 2091.77 | Code FITW45 NC | | Tax Status Federal Tax (945; M-0 North Carolina Sl M-0 | Taxable 2091.77 2091.77 | Amount 107.51 64.00 | ode Code S1 | Deduction | Amount Type Chk Date Barch Net Dir by | Reg atc 09/22/2021 BN 1920,26 2p 1920,26 |
| WEBB, LAWRENCE I Emp Id 927 Rate 0.0000 | Total Earnings Code Earn SERP Supp | arnings Earning Supp Early Ret P | 0.00 Hours | Ratc | 2091.77 Amount 19076.64 | Total Taxes Code FITW45 | res Tax Federal Tax (945; Virginia SITW | Status K (945, M4 TW M-99 | Taxable 19076.64 19076.64 | Amount 2993.89 612.72 | •- | Total Deductions Code Deduction | Amount Type Chk Date Batch Net Dir Dep | # 09/22/ 1547 |
| Total Earnings Location: (RET) Retired | Total Earnings (RET) Retire | | 0.00 19076. Department: (9990) Ret Total | 90) Ret | 19076.64 Total | Total Taxes | ıres | | | 3606.61 | . | Total Deductions | 0.00 Chk/Vcr# | |
| Employees Female Malc Chks & Vchrs Female | 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 | Code Earning SERP Supp Early Ret P | Hours P | s Rate | ļ | | Code Tax FITW45 Fedel NC Nort TX Texas VA Virgi | Tax Federal Tax (945; North Carolina Si Toxas SITW Virginia SITW | Taxable 101133.33 28607.07 1485.09 71041.17 | | Code | Deduction | Amount Checks Vouchers Net Dir Dep Cik Amt | 0 20 91059.88 91059.88 0.00 |
| Location: | Te (RET) F | Total Earnings Location: (RET) Retired Total | 0.00 | | 1011 | 101133.33 Tot | Total Taxes | | | 10073.45 | Total Deductions | uctions | 0.00 | |
| Employees Female Male Chics & Vehrs Female X ** Male | 20 Co 20 SE 20 20 SE 20 20 15 | Code Earning SERP Supp Early Ret P Total Earnings | Hours | s Rate | A 101 101 | 33.33 33.33 | W45 | Tax Federal Tax (945; North Carolina Si North Carolina Si Virginia SITW | Taxable 101133.33 28607.07 1485.09 71041.17 | Amount 7385.84 303.00 2384.61 10073.45 | Code Deduc | Deduction uctions | Amount Checks Vouchers Net Dir Dep Chk Amt | 0 20 91059.88 91059.88 0.00 |
| Employees 2 Female Adale 2 Chks & Vchrs 2 Female 7 | | Code Earning SERP Supp Early Ret P | Hours | S Rate | 101 | 33.33 | e w45 | Tax Federal Tax (945; North Carolina Sl Fexas SITW Vrginia SITW | Taxable 101133.33 28607.07 1485.09 71041.17 | Amount 7385.84 303.00 2384.61 | Code | Deduction | Amount Checks Vouchers Net Dir Dep Chk Amt | 0 20 91059.88 91059.88 |
| | | Total Earnings | 0.00 | 0 | 1011 | 33.33 | Total Taxes | | | 10073.45 | Total Deductions | uctions | 0.00 | |